



Social Credit & Christian Philosophy

By Eric D. Butler

AN INSTITUTE OF ECONOMIC DEMOCRACY
PUBLICATION

Introduction to 1971 Edition

The fourteen years which have passed since *Social Credit and Christian Philosophy* was first published, has provided striking evidence that the increasingly critical state of the world is the manifestation of a false philosophy. During this period the global advance of Marxism-Leninism has continued. The non-Communist world has been unable to offer much more than feeble resistance, primarily because of policies which stem from the same type of philosophy as that of the Marxist-Leninists. In the English-speaking world—including the USA—this philosophy finds expression in what can best be described as Marxism-Fabianism. As demonstrated in my book, *The Fabian Socialist Contribution to the Communist Advance*, the Fabians have permeated the non-Communist nations with Marxist ideas and policies. In the historic statement of the famous Marxist-Fabian theoretician, Professor Harold J. Laski, the Marxist-Fabians are marching on a separate road to the Marxist-Leninists, but *towards the same objective*. It is significant that Laski made this statement after his long discussion with Stalin in Moscow in 1946.

Karl Marx's major steps towards communizing a state, outlined in *The Communist Manifesto* (1848), are being implemented in the non-Communist world under the guise of Keynesian economics. The essence of Marx's steps was that they should progressively deprive the individual of power and transfer it to the state. Marx knew that the widespread ownership of property was a *decentralization of power* in the hands of the *individuals* of a state.

Today, in every non-Communist nation, the percentage of people owning property in any meaningful sense is becoming progressively less. Financial policy is being used to strip rural communities of their population. In spite of their greater efficiency in production, small and medium-sized farmers, who have looked upon farming as a way of life, are now being price-squeezed off the land.

Producing and distributing organizations are becoming bigger and more highly centralized. And now the individual is being told that widespread home ownership is to become a thing of the past. One of the major features of Marxist-Fabian financial policies is "controlled inflation," with

young couples finding it increasingly difficult to purchase their own homes. This at a time of greater real efficiency in building techniques. The vast increase in productive capacity tends to mask the fact that the *quality* of life is deteriorating.

The major factor in the growth of a civilization is the inheritance principle. One of Marx's ten steps is to abolish that principle. Through the imposition of death duties of various types, and a programme of "full employment" — i.e., central direction of compulsory economic activities, however useless — the Keynesian economic "experts" are doing exactly as Marx advocated. The same "experts" are also using Marx's steps of "a heavy, progressive or graduated income tax," and "centralization of credit in the hands of the state..."

Although the myth was maintained for many years that Baron Keynes had devised his financial policies to save the free enterprise economic system, based upon private ownership of property, the real Keynes, an early Fabian Socialist, has been exposed in recent years. Keynes' real concern was with the Fabian tactics of *undermining* the free enterprise system.

It is significant that Keynes became an international figure after publishing his most important book, *The General Theory of Employment, Interest and Money*, in 1936, during the Great Depression. It was at the same time that C. H. Douglas' ideas on how the financial system could be corrected to serve the individual, to make both security and freedom a reality, were having a growing impact throughout the English-speaking world. Keynes' "money reforms" were promoted to offset and to distort the policy of Social Credit, in the same way that the Welfare State was introduced by the Marxist-Fabians for the same purpose. The individual was told that he need never suffer another Great Depression so long as he surrendered control of his own affairs.

The central theme of *Social Credit and Christian Philosophy*, is that policies cannot be divorced from their philosophies. Pioneer Marxist-Fabian, George Bernard Shaw, friend of Lenin and Stalin, was frank about the philosophy of the Marxist-Fabians when he wrote in *Intelligent Women's Guide to Socialism*, that under Socialism "You would be forcibly fed, clothed, lodged, taught and employed whether you like

it or not. If it were discovered that you had not character and industry to be worth all this trouble, you might possibly be executed in a kindly manner, but whilst you were permitted to live you would have to live well." The philosophy expressed in Shaw's words is also that of the do-gooder, determined to do good to others whether they want it done or not!

That great Christian philosopher, Shakespeare, observed that the evil that men do lives after them. This is certainly true of John Maynard Keynes. We now know that this influential Marxist-Fabian was a depraved homosexual. His male sweetheart, the famous writer Lytton Strachey, described him as "a liberal and a sodomite, an atheist and a statistician." His depravity extended to the sexual abuse of small boys. He advised his homosexual friends to go to Tunis, "where bed and boy were also not expensive."

Keynes, the man presented as a harbinger of a new and better world, took advantage of the poverty and ignorance of North Africa, the Middle East and Italy, to purchase at little cost small boys for his own evil uses. (Vide *Lytton Strachey, a Critical Biography*, Michael Holyroyd.)

No amount of sophisticated talk can mask the truth that current political, economic and financial policies are rooted in a false philosophy. "*By their fruits ye shall know them.*" Christ taught that it was impossible to get figs from thistles. The fruits of the dominant philosophy of centralized power have become so bitter to many young people that they have been persuaded that the whole of the present social structure, including its institutions, must be completely smashed before any improvements in human affairs can be made. Clearly, civilization is faced with a major disaster, which C.H. Douglas predicted was inevitable unless there was a reversal of policies of centralizing power, these to be replaced with policies for *decentralizing* power. Such policies offer the only hope of mankind escaping the hell on earth now threatening.

I offer this new edition of *Social Credit and Christian Philosophy* in the hope that it will open the door of salvation to those searching for a way out of the deepening darkness

-Eric D Butler. July. 1970.

This booklet is based upon a Paper given by Eric D Butler
at a Social Credit Seminar
in Melbourne in 1956.

First Printing	1956
First Printing with Introduction by E. D. Butler	1971
Second Printing	1977

- PRINTED IN CANADA -

ISBN 0-920392-14-8

OTHER WORKS BY MR. BUTLER INCLUDE:

- "The Red Pattern of World Conquest" - \$1.25
- "The Fabian Socialist to the Communist Advance" - 80¢
- "Social Dynamics" - \$1.25
- "Dialectics - Communist Instrument of World
Conquest" - 80¢
- "Censored History" - 80¢
- "Basic Course on the Communist Conspiracy" - \$1.00
- "Money Power versus Democracy" - \$1.00
- "Programme for Reversing Inflation" - 60¢
- "The Enemy Within the Empire" - 75¢
- "The Essential Christian Heritage" - 50¢
- "Steps Towards the Monopoly State" - \$1.00

Social Credit and Christian Philosophy

I

In a world where Truth is obscured by all the evil power of centralised mass propaganda, and where the philosophy of materialism and collectivism finds increasing expression in policies which progressively centralise all power into fewer and fewer hands, it is not surprising that a Movement devoted to furthering policies designed to produce a society based upon an alternative philosophy, the philosophy of Christianity, is given either what is termed the "silent treatment", or, when it is mentioned, there is deliberate perversion. Judged by the treatment Social Credit has received from those who control centralised power in this world, it is obvious that it is regarded as a serious, practical challenge to policies which rob the individual not only of his material heritage, but also of the freedom to increasingly personalize his life by the development of his most divine attribute, individual initiative. Molotov may or may not have made the remark attributed to him, that the Communists knew all about Social Credit and that it was the only thing of which they were afraid. But because they do understand the fundamental importance of striving persistently to integrate both policies and their philosophy, the Communist leaders have by their vicious opposition to Social Credit made it clear that they recognise it as a deadly threat. And so do their fellow-worshippers of the State, the Socialists. When the originator of Social Credit, the late Major C. H. Douglas, discussed the subject personally with the famous Fabian Socialist, Sidney Webb, and after Douglas had dealt with every objection raised concerning

the practicability of his proposals, Webb finally said that he did not like their purpose. And he did not like the purpose because he recognised it as contrary to his own views concerning the purpose of man. He saw that Douglas's monetary and other proposals were rooted in the Christian philosophy, a philosophy which he rejected. However, the enemies of Social Credit, when they do mention the subject, always endeavour to create the impression that Social Credit is just one more theory of monetary reform. It is unfortunately true that many monetary reformers calling themselves Social Crediters have furthered this false idea.

The Great Depression of the early thirties, caused by the restriction in the rate of credit expansion, naturally attracted a large number of people to Social Credit. But the overwhelming majority of these were only interested in monetary proposals which they hoped would alleviate their desperate material conditions. The unemployed, or those threatened with unemployment, wanted an expansion of new financial credits in order that work, and wages, would be provided. The business man threatened with bankruptcy because consumers had insufficient purchasing power to buy his goods, saw in the expansion of the community's money supply the prospect of increased business. It is not surprising, therefore, that when material conditions did improve as a result of the expansion of financial credit, many lost all interest in Social Credit. They never really understand the true nature of Social Credit.

Douglas continually directed attention to this lack of understanding. Even in 1932, when the depression was resulting in a tremendous upsurge of interest in monetary reform. Douglas wrote that

“There is too great a tendency to assume that the question of credit is the only subject on which we hold views of practical importance. So far from that being the case, the principles of organisation which are discussed in the earlier part of *Economic Democracy* are vital to an effective understanding of the credit problem.”¹

Although there are barely 25,000 words in *Economic Democracy*, Major Douglas's first book, a close study of it today, 37 years after it was first published, reveals that Douglas touched upon, either fully or in principle, every aspect of the vast subject which was subsequently developed more fully. There are twelve chapters in *Economic Democracy*, but only three of these are devoted to any examination of finance, and this primarily in relationship to the principles of human association dealt with in the other chapters.

“... the first book on what has since come to be called social credit, *Economic Democracy* ... was concerned almost wholly with the proposition that centralisation of power over initiative as opposed to individual freedom is a persistent and conscious policy ... every effort has been made to obscure this fundamental issue, and to represent the Social Credit Movement as concerned with ‘a discredited monetary scheme, which has been tried in Alberta and has failed’.”²

The statement in *Economic Democracy*, that “Systems were made for men, and not men for systems, and the interest of man, which is self-development, is above all systems”, clearly indicates that Douglas accepted implicitly the Christian philosophy. The fact that Social Credit was first presented as a Policy before any comprehensive

(1) In a letter to the Editor of *The New Economics*, Melbourne

(2) C. H. Douglas in *Whose Service Is Perfect Freedom*.

effort was made to deal with its philosophy, can be attributed to the fact that up until *Economic Democracy* was written, it was reasonable to assume that the Christian philosophy, although misrepresented and obscured, was still widely accepted. The progressive attack upon this philosophy has made it essential to face the fact that until there is a re-clarification of the true purpose of man in relationship to his environment, it is waste of time to discuss policy.

Douglas never tired of stressing the connection between every policy and its philosophy. In one of his most important addresses, *The Policy of a Philosophy*, Douglas said:

“In a great many people’s minds, Social Credit is a scheme of monetary reform, and the explanation of why any scheme of monetary reform at the present time is having such heavy going is, of course, because we are all suffering under a wave of so-called ‘prosperity’; and, obviously, if your conception of Social Credit is that it is merely a scheme of monetary reform, you will follow the curve of monetary reform . . . Social Credit is the policy of a philosophy. It is something based upon what you profoundly believe . . . to be a portion of reality. It is probably a very small portion, but we have glimpsed a portion of reality, and that conception of reality is a philosophy, and the action that we take based upon that conception is a policy, and that policy is Social Credit.” In the same address, Douglas also said:

“In the sense that I am going to use it, and, I think, correctly, the word religion has to do with a conception of reality. It is the binding back either of action. or of policy—particularly

of policy in the sense that I am going to use the word policy—to reality. In so far as it means to bind back, to bring into close relation again, and in that sense I am going to use it, religion is any sort of doctrine which is based on an attempt to relate action to some conception of reality. It does not necessarily mean—that your conception of reality is a correct one, but it does mean that you are postulating that there is something to which we refer as real, and you are basing your policy upon that reality.”³

In the same address Douglas warned about the futility of arguing with people about the techniques of Social Credit when they do not agree with the philosophy underlying these techniques. The first essential is for individuals to be definite in their beliefs concerning the true purpose and nature of man in relationship to the universe.

In the attempt to “release reality”, to use one of Douglas’s penetrating observations, it is essential to repudiate the absurd claims of those materialists who talk loudly about “the age of reason”, and who claim that truth can be demonstrated only by logic. Logic, like algebra or any other form of mathematics, is only a mechanism, an instrument. Like the slide-rule, it can only produce a result based upon all the factors fed into it. Truth must be discovered. And our conception of Truth, or reality, is widened by revelation. Social Credit is such a revelation. It embodies certain truths which Douglas was, as far as we know, the first individual to reveal. For example, he revealed the truth that the true cost of production is consumption. The fact that prices continue to rise in spite of the obvious fact that the true cost of production has been pro-

(3) Address given at a Social Credit Conference in London on June 26 1937

gressively reduced as man improves his production methods and introduces labour-saving devices, simply means that present financial rules are based upon a lie and not upon the truth. Douglas accepted the Christian view that all man-made systems should be based upon Truth that they should reflect rightness. Unlike many monetary reformers who, having realised the power which centralised control of the credit system gives the controllers, seek their own particular brand of reform in order to impose their own conception of Utopia upon other people, Douglas pointed out that this conception in practice could only mean totalitarianism.

In the following statement he dealt with the menace of Utopias imposed by idealists:

“When we accuse the world’s great financiers of being merely conscienceless buccaneers, there is a sense in which we do them less than justice, and at the same time fail to recognise the deadly danger which they embody. The great financier is in most cases a great idealist, and sooner or later constructs a Utopia which it is his constant endeavour to impose upon the world. . . . society is never in more deadly danger than when it is committed to the mercies of the idealist, and particularly the Utopianist. The fact is that there is no single Utopia which would give satisfaction to more than a small percentage of us, and that what we really demand of existence is not that we shall be put into somebody else’s Utopia, but that we shall be put into a position to construct a Utopia of our own. And this idea of a centrally controlled world in which everyone lived under uniform conditions, elaborated on the basis of statistics, either of the Census or otherwise, is at the back of the drive which is being made to induce us to believe that the world can

be considered as a single unit. Cultures, climate, tradition, race, and habit, all give the lie to this idea, and as the human personality develops, it becomes more individualised and specialised in its outlook, and less and less amenable to centralised direction."

The idealist who strives to use the State to introduce his particular Utopia is generally incensed when told that he is rejecting one of the basic conceptions of Christianity, namely, the uniqueness of the individual. There are many professing Christians who, while objecting to Communism because it threatens individual freedom, will seek to use the State to impose their own particular reforms without realising that, in the words of that great Christian historian and philosopher, Lord Acton, "*Whenever a single definite objective is made the supreme end of the State . . . the State becomes for the time inevitably absolute*". Douglas rejected the view that Christian perfection can be obtained through any compulsory social organisation, and repeatedly stressed the fact that central planning, irrespective of the label attached to it, must attempt to destroy the uniqueness of the individual in order that the planning may be imposed without opposition.

Contrary to the idea of many superficial observers, Social Credit is not a scheme to make all people materially wealthy. Seeking to establish Truth in all spheres, Social Credit policies are designed to place the individual in the position where he can freely choose what type of life he prefers. Douglas expressed the view that in a stable society, in which the individual knows that his basic requirements and his liberties are assured, most people would probably develop more simple habits of living

In an address termed "The Pursuit of Truth",⁴ Douglas clearly indicates his genuine Christian humility in endeavouring to discover Truth as a basis for any political, economic, or financial proposals:

"Now it is my own belief . . . that there is running through the nature of the Universe something that we call a 'canon'. It is the thing which is referred to in the Gospel of St. John as the 'logos', the 'word' . . . The engineer and the artist refer to it when they say that they have got something 'right'. Other people mean the same thing when they talk about absolute truth, or reality. Genuine success only accompanies a consistent attempt to discover and to conform to this canon in no matter what sphere our activities may lie. For instance, I have no doubt whatever that there is one single test which can be applied to any financial scheme which is put before you for consideration, and that is, whether it represents reality, just as we know that the fundamental falsity of the present financial system is that it distorts and perverts reality . . . I am confident . . . that just as departure from the canon has produced the appalling condition of the world at the present time, so the existence of a growing body of people who are aware of the situation, and singly devoted to bringing back understanding into relation with reality, constitutes not only the great, but the only certainty that eventually a world system founded upon lies will give way to one which is formed upon truth."

During the post-war years Douglas dealt more extensively with the various attacks upon the

(4) "The Pursuit of Truth " Address to *New Age* Dinner March 18. 1933

Christian philosophy, stressing time and time again that every policy must be traced to its philosophy. "We are engaged in a battle for Christianity," he said. Douglas was not just another reformer, a man with preconceived ideas and purely materialistic objectives who believed that with a few financial reforms man would automatically enter the millenium.

"Notwithstanding a mental stature unusual in any society, Douglas's outstanding characteristic was a profound humility—a humility which was reflected in his writings and in his life . . . Where others viewed the world in terms of mankind's struggles and achievements, and society as the creature of man's brain and behaviour, with the realism of the engineer and the penetrating spirituality of a Medieval theologian, Douglas saw the Universe as an integrated unity centred in its Creator and subject to His Law.

"It was the basis of Douglas's philosophy, of which Social Credit is the policy, that there is running through the warp and woof of the Universe the Law of Righteousness—Divine Law—which he termed the Canon. Because of the higher intelligence and freewill accorded to him, Man cannot rely on instinct to guide him in his adherence to the Canon. He must seek it actively, and to the extent that he finds it and conforms to it, he will achieve harmony with the Universe and his Creator. Conversely, to the degree that he ignores the operation of the Canon and flouts it, he will bring disaster upon himself.

"It was inherent in Douglas's writings that he viewed society as something partaking of the nature of an organism which could 'have life and life more abundant' to the extent it was God-centred and

obedient to His Canon . . . Within it (this organism) the sovereignty of 'God the Creator of all things visible and invisible' being absolute, there must be full recognition of the sanctity of human personality, and, therefore, of the individual person as free to live his life, and within the body social, to enter into or contract out of such associations as, with responsibility to his Creator, he may choose. And no person may deny to another this relationship to God and his fellow men without committing sacrilege

"This concept, reflecting the ideal of Christendom as the integration of Church and Society which was the inspiration of European civilization for centuries, involves adherence to a policy in every sphere of social life, economic, political and cultural. This is the policy which Douglas termed 'Social Credit'.

"Looking out upon the world with a clarity of vision which was unique in his time, Douglas saw a doomed civilization committed to the opposite policy, stemming from a conflicting philosophy, a philosophy which deified Man and sought to subjugate the world to him."⁵

II

As Social Credit is concerned with a correct relationship of the individual to the Universe, his fellows and his institutions, it is therefore concerned with the subject of constitutionalism. Political thinking is at such a low ebb today that constitutional safeguards of individuals' rights, slowly and painfully evolved over hundreds of years, are being destroyed without any effective opposition. The fact must be faced that the

(5) L. D. Byrne, Fellow of the Social Credit Secretariat, in *The Fig Tree* a Douglas Social Credit Quarterly

Christian conception of individual freedom, individual rights and individual responsibility has been so undermined or perverted that comparatively few realize the danger threatening Christendom with complete destruction.

In *Realistic Constitutionalism*, Major Douglas said that "*Constitutionalism is an extension of the very comprehensive subject we call Social Credit.*" Douglas also said that "*the crisis through which we are passing is a war against practical Christianity, which has a real bearing on Constitutionalism.*" The development of constitutionalism in Western Europe stemmed from the philosophical climate of opinion created by the Christian Church. The Christian message "*Ye shall know the truth and the truth shall make you free*" led to the freeing of the individual from the domination of the group and the emergence of self-governing, self-conscious individuals developing themselves through the exercise of free-will and the acceptance of personal responsibility; individuals were entitled to make use of certain inalienable rights held on lease from God and not from the State or any Government.

It is impossible to deal realistically with the history of Western Civilization unless the influence of the Christian philosophy is recognised. We can no more dispute this fact than a child can claim that he is not his parents' offspring. A child may not like his parents, but he cannot deny their reality.

If the crisis through which we are passing is to be resolved in a victory for Christianity, it is

essential that we understand the formative influences in the development of Western Civilization; that we know how we have reached our present point in history. There are those who attempt to minimise the influence of Christianity on the history of Europe and who contend that we owe most to the legacy of Greece and Rome. But while this legacy was of great importance, it is essential to stress that both Greece and Rome lacked the Christian conception of freedom and the sovereignty of the individual.

“The vice of the classic State was that it was both Church and State in one. Morality was undistinguished from religion and politics from morals; and in religion, morality and politics there was only one legislator and one authority.”¹

As there was no division between power and authority, not even the theories of the famous philosophers like Aristotle and Socrates, which postulated the necessity of balancing powers in order to prevent excesses, could achieve genuine liberty for the individual. Socrates became a victim of the superstition of the State, while both Aristotle and Plato could not conceive of liberty as an end but only as an expediency. Good government and public administration was put ahead of liberty.

It is true that the Stoic philosophers did develop the theory of liberty in accordance with the Christian view that there is a Natural Law superior to both Governments and the will of individuals. As that famous Christian leader Augustine admitted, most truths concerning politics had been enunciated before the Christian era. But,

(1) *Lord Acton*, by Gertrude Himmelfarb.

“It was left for Christianity, however, to animate old truths, to make real the metaphysical barrier which philosophy had erected in the way of absolutism. The only thing Socrates could do in the way of a protest against tyranny was to die for his convictions. The Stoics could only advise the wise man to hold aloof from politics and keep faith with the unwritten law in his heart. But when Christ said, ‘Render unto Caesar the things that are Caesar’s and unto God the things that are God’s’ He gave to the State a legitimacy it had never before enjoyed, and set bounds to it that had never yet been acknowledged. And He not only delivered the precept but he also forged the instrument to execute it. To limit the power of the State ceased to be the hope of patient, ineffectual philosophers and became the perpetual charge of a universal Church.”²

Unfortunately, however, the perversion of Christianity has reached the stage where even large numbers of the Christian clergy, instead of striving tirelessly to limit the powers of the State, are helping to urge that society be reformed by the power of the State. *They are in fact appealing from God to Caesar.* Every increase in the power of the State, or of monopolistic groups, irrespective of the plausible arguments used to try and justify the increase, must inevitably take from the individual his right to personalize his life by the exercise of his free-will. *Every retreat from freedom is a retreat from Christianity.*

“Real Christianity believes in complete freedom for everyone. a freedom for everyone to

(2) *Ibid*

take his place in a free society, a freedom which brings the utmost happiness to everyone, on the single condition that his happiness shall not mean the unhappiness of others, and moreover, freedom to choose whether he will do this or that. There must be no compulsion, not even any social pressure. If I could convert a man to my way of thinking by pressing a button on his waistcoat, I ought not to do it.”³

If the essence of freedom is freedom of choice, the power to accept or reject one thing at a time, as Douglas put it, it is clear that the individual of today has less real control over his own affairs than he had hundreds of years ago. This view will, of course, be rejected by those who accept the falsification of real history and the doctrine of “inevitable progress.” This doctrine is based upon the materialistic view that progress can only be measured by the increase of man’s power over his material environment. Modern man certainly has more material possessions and gadgets than his forefathers. But the Christian must ask: “For what *purpose* are these extensions of material power being used?” And the truth is, of course, that the individual has progressively less control of individual purpose in spite of the fact that the discovery of truths concerning, for example, the use of solar energy in semi-automatic industrial production, make it physically possible for the individual to have greater opportunities for freedom of choice and self-development than ever before

Extension of the power of Caesar and the growth of numerous policies of monopoly, have not only undermined individual freedom; they

(3) Dr. S. C. Carpenter, Head of the Department of Theology, University of the South West England in *Christianity*

have also resulted in the destruction of many of the constitutional safeguards of that freedom. English Common Law, which was specifically Christian in its conception and growth, has been slowly replaced with the totalitarian doctrine that "Parliament must be supreme." This means that instead of the individual possessing inviolable rights guaranteed by Common Law and upheld by an independent Judiciary, he is at the mercy of what Lord Hewart aptly described as the "New Despotism": a growing army of irresponsible officials exercising the vast powers delegated to them by modern highly centralised Governments. The mere act of voting offers the individual no genuine protection against the destruction of freedom; in fact the modern drive towards the totalitarian society is hastened by the perversion of the political voting system.

The majority vote idea has definite virtues only if applied within a definite constitutional framework. In the past, British and American constitutional developments accepted the Christian idea of fundamental individual rights and specific moral values which were not dependent upon majority votes, however big they might be. The American Constitution, drafted in the main by men determined to maintain the heritage of constitutional development from England, specifically states that the individual rights to be enjoyed by Americans were derived from God. Many Christians so little understand this matter today that they fail to see that majorities cannot create moral values of any description. Injustice is still injustice irrespective of how many cast their votes in favour of it. Christ was not proved wrong because a manipulated mob cried "Crucify Him."

Douglas observed that "the laws of the universe (God's laws) transcend human thinking" and that those concerned with creating a Christian social structure should humbly try to ascertain the truth about these laws and observe them. All attempts to defy these laws must lead to the destruction of the free, Christian, society. But today it is considered "reactionary" and "unprogressive" to put forward this view. And so instead of the individual being answerable to God and His laws, we have the prevailing view that man should be governed by man. In spite of the appalling results of this type of government, those who hold this view scoff at the suggestion that we can learn from the past. They are products of secular education and, contrary to all the evidence, they persist in claiming that it is "romantic nonsense" to suggest that England, for example, was a more Christian country when Common Law was taken more seriously and Governmental powers were severely curtailed by constitutional limitations. One of the greatest living authorities on this subject, Bertrand de Jouvenal, writing in his study of *"Power, Its Natural History and Growth,"* has pointed out that "The grossly inaccurate conception of the Middle Ages (as Totalitarian Monarchies) is deeply embedded in the unlettered, whom it serves as a convenient starting point. There is not a word of truth in all this."

In order that we may know the truth, let us turn to a brief examination of constitutional development, particularly in England, and its relationship to Christianity.

Real history is not a series of disconnected episodes. It is, as Douglas defined it, "crystal-lised politics." And all policies must stem from

a philosophy, a conception of reality. Although not generally recognised as such, one of the great landmarks which influenced Christian constitutional developments was the Athanasian Creed, a creed which draws attention to the threefold nature of reality.

Whenever the trinitarian conception of reality has been rejected, the inevitable result has been the development of Monopoly in one form or another. Today Christendom is faced basically with the same problem which confronted the early Christians after Emperor Constantine's conversion to Christianity in the fourth century. This conversion ended the persecution of Christians and permitted the emergence of *Authority*, represented by the Church leaders, as separate from *Power* represented by the Emperor. The result was a new and unique problem: What was the relationship between *Authority* and *Power*? Principles concerning this relationship were examined exhaustively at the famous Council at Nicea, called by Emperor Constantine in A.D. 325. The Council of Nicea, at which the young Athanasius was the most outstanding figure, stated that reality was neither unitarian nor dualistic; it was threefold.

Although the Council of Nicea unfortunately failed to evolve specific principles to govern the relationship between Authority and Power in accordance with the revelation of the trinitarian nature of reality, it must be regarded by true historians as the first great sign post of European history indicating a road to be followed by those concerned with the development of constitutionalism reflecting Christian teaching. This road led to keen controversy concerning the diffusion of

power and the rights and liberties of the individual.

The most important formative period in English constitutional development was undoubtedly during the eleventh and twelfth centuries, when the basic principles of English Common Law were being shaped. When King John tried to combine Power, Authority and Law in his own person he was attacking the trinitarian idea and violating principles which, even if not formulated, were nevertheless widely understood in England. His actions brought the constitutional issue to a head in England and resulted in another great landmark in constitutional history.

Although Magna Carta was a typically English document, it was the product of a long constitutional development reflecting the climate of opinion created by the Christian Church. As Douglas has pointed out, there were three sovereignties represented at Runnymede, the Crown, the Church and the People. Although the Barons provided the material sanctions, these were in turn modified by the spiritual sanctions of the Church, which in the person of the great Archbishop Langton played a vital role in the creation of Magna Carta. Here was the Christian Church insisting, not that complete power should be taken from one man and given to another group of men, but that power should be divided and subject to God's Laws.

"It was not Langton's wish to see the Crown overthrown, the law ignored, the realm divided, the barons petty tyrants. What he wanted was that the king should preserve the law his predecessors created. And it was to the law that the Archbishop appealed, not only of man, but

of God. For it was the essence of mediaeval philosophy that God ruled the earth, and that man, and kings above all men, must further His ends by doing justice or it was not in Christian eyes government at all.”⁴

Christian theology converged with the nature of reality in the trinitarian constitution: the three Estates of the Realm.

It was in the development of English constitutionalism that the trinitarian idea concerning the division of power and authority made a most significant impact.

“ . . . to be successful Constitutionalism must be organic; it must have a relation to the nature of the Universe. That is my understanding of ‘Thy Kingdom come on Earth, as it is in Heaven.’ When England had a genuine trinitarian Constitution, with three inter-related and interacting loci of sovereignty, the King, the Lords Spiritual and Temporal, and the Commons, these ideas were instinctive, and those were the days of Merrie England.”⁵

What is called English Common Law grew out of the active part taken by English Christian theologians in the general disputation concerning the division of Authority and Power. The development of English Common Law was a development parallel to Roman Law, both originally in part deriving from the endeavours of the Church Fathers to establish in legal form the moral teachings of the Gospels, interpreted as Natural Law.

For three hundred years constitutionalism in England developed successfully upon the basis

(4) Arthur Brvant's *History of England*

(5) C. H. Douglas in *Realistic Constitutionalism*

established by Magna Carta. Christianity was then truly part of English Common Law, one of the greatest of English contributions to Western Civilization. It was during this time that matters mundane were dealt with by the King's Courts and the Courts Christian dealt with spiritual questions. *It is important to note that usury was regarded as a moral question.* Usury was prohibited. Church law was reflected in the King's court by an enactment concerning the "just price." A Statute of Edward III repudiated, at least by inference, the Roman Law conception of price being governed only by what an individual could obtain. Edward's Statute attempted to relate price to cost. The wrong use of money was recognised as a source of corruption and attempts were made, not completely successful, to ensure that Christian principles were reflected in all spheres of human activity.

If English constitutionalism had developed along the lines followed up until the sixteenth century, it is possible that the condemnation of usury and the attempt to formulate a "just price," would have led to a Christian approach to the Industrial Revolution. The discovery of truths concerning great increases in production could have led to an increase of leisure for all and greater opportunities for the individual to spiritualize his life. But unfortunately a disastrous break in Christian constitutional development in England took place when in 1535 King Henry VIII executed Sir Thomas Moore, recognised as the incarnation of English Common Law and of the Christian theology and philosophy underlying it. More resisted the absolutist claims of Henry and with his death started the destruction of all that had been evolved over centuries.

There quickly followed a prohibition of Canon Law. All previous enactments to govern the use of money were abolished. By 1571 it was not considered a usurious transaction if interest did not exceed ten *per cent*. Cromwell allowed the Jewish money lenders to return to England and in 1694 the Bank of England and the National Debt were established. From then on the rot spread in all directions and today the process towards the complete Monopoly State, the opposite of the Christian State, is being hastened forward in all English speaking countries as well as other countries.

In *Realistic Constitutionalism*, Douglas outlined what was basically required to meet the situation: "To a very considerable extent, we must retrace our steps, in the face of many false guides, to the fork in the road somewhere about the time of the so-called Reformation . . . So that our problem seems to resolve itself into a real understanding and restoration of the functions we have allowed to decay." But "the functions we have allowed to decay" cannot be restored unless we accept the Christian philosophy out of which these functions originally grew. Christian constitutionalism not only must ensure that the individual is guaranteed his God-given right; it must also ensure that the individual can be held individually responsible for all his actions, including the use of his political as well as his economic vote. Social Credit proposals are designed to achieve this purpose.

III

The general reaction to the Social Credit principle of a universal social dividend paid to every individual as a right—"it would be morally wrong to give people something for nothing"—and the

insistence in both Communist and non-Communist countries that "Full Employment" is some type of sacred policy that must be pursued at all costs, provide depressing evidence of the retreat of Christianity against the forces of materialism. The Christian who condemns "something for nothing" is in fact condemning God for His unconditional gifts which alone make life possible. And the elevation of work, a *means*, into an *end*, is one of the basic evils undermining what remains of Christian Civilization.

That great Christian thinker, St. Thomas Aquinas, quotes one of the early Church Fathers as stating that "*The elevation of means into ends is the essence of sin*". Douglas no doubt had this in mind when he wrote: "*Institutions are means to an end, and I do not think it is too much to say that the elevation of means into ends . . . constitutes an unforgivable sin, in the pragmatic sense that it brings upon itself the most tremendous penalties that life contains*".

The Christian who unreservedly accepts Christ's teaching that the truth shall make him free, should be able to distinguish between means and ends. Freedom is the *end*, the essential Christian *purpose*, but truth is the *way* to that end. Both are, of course, essential. But they must be properly integrated. There is, however, no such integration in the current economic system. Rather than accept the self-evident truth that the true purpose of the production system is to produce consumption goods genuinely desired by the individual, and to produce these goods with a minimum of human labour, it is insisted by "leaders" of all descriptions that "Full Employment" is the major purpose of the production system. Instead of the development of auto-

mation being regarded as a means of providing the individual with leisure and freedom for self-development, it is widely publicised as a "problem"—to be "solved" by finding other work for those displaced by automation. It does not matter how useless or destructive the work may be; the majority accept it passively because it distributes financial incomes. Any suggestion that the incomes could be distributed without forcing the individual to engage in wasteful economic activities that serve no true human purpose is met with the stern rebuke that it would be "morally harmful" for the individual to obtain money claims to production without first being compelled to work.

As there is no longer any argument (there is a growing literature on the subject) that the use of semi-automatic industries powered by solar energy enables a small minority of the community to produce sufficient necessities for civilized living for the whole community, it is obvious that the world-wide propaganda insisting that "Full Employment" is a policy to be pursued at all costs, is designed to rob the individual of the potential leisure time in which, by using his free-will and initiative, he could develop himself as a self-governing and self-conscious individual. While it is undoubtedly true that acceptance of this policy is made possible by the conditioning of people to associate monetary incomes only with work and economic activity, and the widespread view that money is wealth rather than a man-made ticket system, it is the philosophy underlying the policy which must be examined by those interested in the creation of a genuine Christian social structure.

Every policy has a philosophy, and the philosophy underlying the policy of "Full Employment"

is one of materialism. The Communist is logical in his bitter opposition to any policies which provide individuals with independent monetary incomes, however modest they may be, because he views man not as an individual with a sovereign soul who is entitled to life and the power to develop himself, but merely as a part of a collectivity. Marx wrote in *Capital*: "*If I speak of individuals it is only insofar as they are personifications of economic categories . . .*" An essential feature of Marxist theory is the Labour Theory of Values, usually expressed in the slogan that "Labour produces all wealth." If this is accepted, then no one is entitled to life unless he first works. Instead of work being a means to an end, it is glorified as the end which all must serve. As the Communist Molotov put it, "The spiritual make-up of the Soviet people today is revealed above all in the conscientious duty to the Soviet State." The Communists maintain that it is through economic activity that man "solves the riddle of his existence on earth."

When non-Communists insist that "Full Employment" must be planned in order to provide monetary incomes, they indirectly support the Communist theory that "Labour produces all wealth." But a little reflection reveals that the greatest sources of wealth, fresh air and sunshine are a gift. The Christian must view them as a gift from God. Not only are the sources of wealth a gift; every technological advance reduces the role of labour in the utilisation of these sources. Modern man is the heir to thousands of years of accumulated knowledge of how to use the truths inherent in God's universe. The truth concerning what is termed the mechanical advantage was *discovered*, not *created*, by the man who first used a lever to lift much greater weights than he could

by the use of his own muscular energy. Numerous similar truths, which today are taken for granted, are the basis of modern technology. *God's truths can increase freedom, just as Christ taught.* The Red Indians of Canada watched the flow of water over the Niagara Falls for centuries without realising that here was an enormous source of power which could be harnessed to serve the individual. Present-day Canadians can use this power, not because they are capable of more physical labour than the Red Indians, but because they possess knowledge, "something for nothing", passed to them by previous generations. Accumulated knowledge concerning the truths of the universe, the cultural heritage, is the main element in productive processes today. Every individual is morally entitled to his share of this heritage, a heritage which could lead to increasing leisure and freedom for the individual to develop himself towards perfection in the eyes of God. To deny man his rightful heritage by control through the "Full Employment" and wage system is to side with the forces of anti-Christ.

There is no more effective way of controlling and directing men's lives than to insist that they must be employed before they can eat. No man can reach his full development as a unique person unless he has basic economic independence and leisure time in which to contemplate—true wisdom only comes through contemplation—to read, to take up a vocation—yes, and time to pray. Getting to know God takes time. God has made it possible for man to develop his personality to the full, to break free from the domination of materialism. This does not mean that material things are inherently evil: *it is the purpose for which material things are used that is important.* While it is true

that man cannot live by bread alone, it is also true that man cannot live without any bread at all. If bread be used to describe the basic material requirements for life—adequate food, clothing and shelter—then it can be truly said that the prayer, “Give us this day our daily bread”, has been answered by God.

Once it is appreciated that there are two major elements in production — (a) what might be termed God’s gift of “capital” — solar energy, etc. — and the accumulated knowledge — the cultural heritage — of how to use the “capital”; and (b) the use of this knowledge by those engaged in industry, it must be agreed that it is morally right that every individual is entitled to an equal share of that part of production produced by the cultural heritage. He is entitled to a financial dividend in order that he may claim his share. How this dividend is to be paid is of relative unimportance until it is agreed that it is a moral necessity. The financial bookkeeping necessary to distribute dividends would be no more difficult than the financing of production which was “given” away to military enemies during the war, or of the financing of much of the soul-destroying production of today which is primarily designed to “make work” but which serves no true human purpose.

The basic points concerning this subject have been most lucidly stated by an English Vicar, the Rev. A. R. Lintell:

1. The original fundamental right of man was to get some sort of a living for himself through free access to all the resources of nature about him.

2. Getting a living by hiring himself out to work for another was a sound thing as long as it was better than doing it by direct action in the surrounding nature, upon which one could always fall back.
3. The situation in which man cannot fall back on free access to natural resources and can ONLY live if his labour happens to be necessary to someone else is a state of degradation that is to be condemned.
4. It is clear that that continuous "improvement in method", roughly equally "invention" and "machinery", tends towards getting all the world's necessary work done easily in little time.
5. We are already far advanced in the position where all men's full time labour cannot be "necessary to someone else" who is obliged to "pay" for it. Wherefore, according to the usual social and economic thinking, an increasing number of persons are becoming redundant and will have no "wage value" upon which to claim existence.
6. It is urgent NOW to get people to face up to the principles:
 - (a) that man has a right to exist for his own sake and not only if he is an economic necessity to somebody else;
 - (b) that the near future necessarily involves only small time "labour at the world's work", which can no longer be the basis on which people are "paid";
 - (c) that there must be a frank recognition of lots of leisure and its profitable use.¹

1) *Four* (England) February 25 1956

In spite of all the nonsense about labour-saving inventions not saving labour, that automation will create more work, and that everyone must work harder in order to preserve the present standard of living, it has been demonstrated beyond all argument that it is *physically* possible to expand leisure enormously. If the issue were decided only on the truth about the production system, it would not be long before expanding leisure was accepted as a rational policy. But the basic issue is philosophic, concerning the purpose and nature of man, and the fact must be faced that a policy of leisure and a dividend system to supplement the wage system is opposed by many, including so-called Christians, because they hold the view that such a policy would be "bad" for the individual. This deep-rooted objection is evidence of how the Puritan perversion of Christianity has been exploited by the world's power-lusters.

One of the principal architects of the Great Depression of the thirties, the late Montagu Norman, former Governor of the Bank of England, stated at the time when human beings were starving while God's abundance was being destroyed, and while thousands of people were taking their own lives in despair, that he believed that poverty is good for people. Douglas defined Puritanism as "the conviction that no man can be trusted to rule his own affairs." Acceptance of this view means that a very wicked world must surrender all power to a few planners who will force everyone to be good. A former British Ambassador to Moscow, Sir David Kelly, has pointed out how a puritanical atmosphere permeates the whole of Soviet society. And it is not without significance that amongst those so-called Christians who accept the view that material possessions are evil and that austerity

develops the best in the individual, many are naturally attracted to Marxism which teaches that man can never be himself until he is "freed" from a production system based upon private ownership.

Although various groups from the earliest history of the Christian Church held the Puritan view concerning man, it was following the failure of the Church to reform itself from within, and the Reformation, that the Puritan view started to become dominant in parts of Europe. Arthur Young, the famous Puritan divine, summarised the Puritan view towards economics when he said:

"If you talk of the interests of trade and manufactures, everyone but an idiot knows that the lower classes must be kept poor, or they will never be industrious. . . ." In order to get people to accept this view, Young used religion — **"That truly excellent religion which exhorts to content, and to submission to the higher power."** It was this type of perversion of Christianity which led to the worst excesses of industrialism, including child labour in England. The perversion is still being used to keep man tied to an industrialism which, although not as brutal as in the past, is progressively dehumanising the individual by forcing him to surrender to functionalism — **"Full Employment"** — in order to obtain an income.

The Puritan conception of man is completely alien to the fundamental Christian conception, which has been stated clearly by great Christian teachers like St. Thomas Aquinas, who said, **"Poverty is not good in itself . . . In so far as poverty removes the good resulting from riches . . . it is simply an evil . . . Spiritual danger ensues**

from poverty when the latter is not voluntary; because those who are unwilling poor, fall into many sins". St. Thomas also said that "No man ought to live unbecomingly".

St. Bernard said that "before bearing the semblance of celestial man we start by bearing that of terrestrial man", to which St. Thomas added, "This is not to give precedence to the material, but to ensure to the spiritual those grounds on which it can flourish". Individual liberty and economic freedom are fundamental spiritual essentials because of the traditional Christian belief that spiritual motives should guide the life of man. *But how can this motive operate unless individuals are mentally and physically able to exercise freedom of choice?* To rob the individual of freedom of choice, by denying him access to leisure and an unconditional dividend, is to rob him of the opportunity to increasingly spiritualize his own life. This is a fundamental issue which every Christian must face. Miss Dorothy Sayers has put it as follows:

"If we conclude that a creative mind is in point the very grain of the Universe . . . we shall have to ask ourselves whether the same pattern is not also exhibited in the spiritual structure of every man and woman. And, if it is, whether, by confining the average man and woman to uncreative activities and uncreative outlook, we are not doing violence to the very structure of our being."

In a statement issued in 1955, the Anglican Bishop of Oxford said that "Work for work's sake is not a Christian maxim . . . Man's life, on any Christian view, is something far greater and more profound than his capacity to produce goods or

organise their production. Freedom from unnecessary work is something to be welcomed and even extended as far as possible." Prior to the Reformation period, production for use was the traditional Christian approach to economics. The great Greek philosopher, Aristotle, whose works have profoundly influenced Christian philosophers from the dawn of Christianity, said that the end of work is leisure. He did not say that the end of work is more work. The Greek word for leisure, *Schole*, is still preserved in School and Scholar.

A study of conditions in England during the thirteenth century reveals that, although most productive power was supplied only by man and horse, there was a four-day working week and 152 holidays in the year. Some of the physical evidence of man's creative achievements of that period, the Cathedrals, the Guildhalls, the Art and Literature, is still in existence. In his most stimulating book, *Leisure, the Basis of Culture*, Joseph Pieper, the famous Christian philosopher, states in his first chapter that "it is essential to begin by reckoning with the fact that one of the foundations of Western culture is leisure." Culture is a manifestation of the spirit and springs from creative activity. The flowering of the spirit in the early Greek Golden Age was the result of the application of Aristotle's principle that the end of work is leisure. The leisure of that age was, of course, based upon human slavery. But today increasing leisure for all can be based upon the harnessing of solar energy. It is impossible for the human spirit to manifest itself in a society organised to further the anti-Christian policy of work for work's sake. Dr. Erich Fromm in *The Fear of Freedom* points out that before the pronouncements of Calvin there had been no urge to work more than was

necessary to maintain the traditional standard of living. But Calvin's teachings led to "the development of a frantic activity and a striving to do something." There developed "an obsessional craving for work which had been lacking in a free man before that period . . . work became increasingly a supreme value . . . Too many holidays began to appear as a misfortune . . ."

Coupled with the doctrine that material activity was of itself a virtue, and that those who amassed the most material possessions and power were the chosen of God, was the idea that material development and progress were synonymous terms. Every new factory erected today, irrespective of what purpose it serves, is hailed as progress. But, as Douglas points out, "the use of better tools in no way ensures better objectives." The better tools may, in fact, be used to make it easier for some men to obtain control over all other men. The only true progress is moral progress — *and this can only be achieved through the mind*. The important point is not that man can, for example, cut down the time necessary to provide himself with the requirements of life, *but what he does with the time saved*. To claim that it is progress to use the time saved to put man to work on rockets to be fired into outer space is simply a manifestation of the materialism so dominant today.

A complete victory for materialism becomes progressively closer as "scientific education" is elevated as one of the modern gods. While the dogma of work for work's sake is rigidly upheld, every new technological development means that an increasing number of young people must be turned into technical barbarians, narrow specialists who understand only their narrow function and nothing

of real life. It is no use Christian spokesmen deploring the results of the present policy of "Full Employment" unless they are prepared to challenge the policy itself; to challenge the philosophy which insists that man has no right to a claim on life unless he is first compelled to work. The Social Credit view is that the Christian Church must concern itself with this question because the Church must speak with authority concerning the nature and purpose of man. The Social Credit policy of a financial dividend for the individual, like all other Social Credit policies, stems from the traditional Christian conception of man, is rooted in Truth, and for this reason seeks to integrate means and ends.

It is true, of course, that many sincere Christians will agree in principle with what has been said, but will draw attention to the fact that there are many people today who would not know what to do with leisure and who would use a dividend to buy more alcohol to help overcome their boredom. There is an element of truth in this. The de-humanising of many individuals has proceeded so far that the introduction of a dividend system would need to be gradual.

"It is probably true that there is an appreciable percentage of the population in respect of which any sudden access of material prosperity would be attended with considerable risk, and for that reason the transition from a state of artificial scarcity such as exists at the present time, to a state of prosperity, is most desirably accomplished by methods which do not suddenly invest such persons with powers which they have not learned to use".²

2) C H Douglas in *Social Credit*

Once society was re-oriented towards Christian objectives the dividend principle could be gradually introduced in numerous ways. As the purpose of man shifted from serving "Full Employment" and work for the sake of a monetary income to serving God, the Christian Church would need to re-enter fully the field of education from which it has been progressively driven. Education would then be primarily concerned with the self-development of the individual. *It would serve a Christian end.* One further point should be answered: Many claim that, although there has been some reduction in working hours, there is no evidence that men have made any profitable use of their increased leisure time. There is a degree of truth in this, but true leisure time is time when we can *feel at leisure*. It is probably true to say that the majority do not feel at leisure during the time they are not working. A holiday, for example, is regarded primarily as a method of temporary escape from forced economic activity. Joseph Pieper has put the matter clearly:

"... leisure stands opposed to the exclusive ideal of work *qua* social function. A break in one's work, whether of an hour, a day or a week, is still part of the world of work. It is a break in the chain of utilitarian functions. The pause is made for the sake of work and in order to work, and a man is not only refreshed *from* work but *for* work. Leisure, like contemplation, is of a higher order than the *vita activa* (although the active life is the proper human life in a more special sense) . . . no one who looks simply to leisure to restore his working powers will ever discover the fruit of leisure; he will never know the quickening that follows, almost as though from some deep sleep.

“The point and justification of leisure are not that the functionary should function faultlessly and without a breakdown, but that the functionary should continue to be a man — and that means that he should not be wholly absorbed in the clear-cut milieu of his strictly limited function; the point is also that he should continue to be capable of seeing life as a whole and the world as a whole; that he should fulfil himself, and come to full possession of his faculties, face to face with being as a whole.”³

The history of man shows that genuine leisure and economic independence results in an infinite variety of creative activities, not in passive idleness, as is often claimed. Western Christian Civilization has been creative because it was founded upon freedom. The slave can create nothing. The extension of wage-slavery under the “Full Employment” policy can only lead to the complete atrophy of the creative instinct in man and a domination of the individual by the collective. It leads directly to Communism.

Every major problem man is struggling with to-day—the fight for export markets, the feverish search for raw materials, the growth of juvenile delinquency as mothers, as well as their husbands, are forced into the factories to obtain more monetary incomes, the growth of irresponsible bureaucracy — is the result of the economic system being used for false, and therefore anti-Christian, purposes. Social Crediters reject the view that salvation can be obtained through contests for power and the use of bribery which are a feature of present-day party politics. A re-orientation of all man’s institu-

tions, political, economic and financial, will not take place *until there is a more widespread acceptance of the Christian philosophy concerning the nature and purpose of man.* Douglas pointed out that, so long as modern governments believe they can legislate in a moral vacuum, and the Christian Church fails to insist that all policies must serve Christian ends, the counting of heads at secret elections will not avert the threatened triumph of the anti-Christ.